



CYPEN & CYPEN
NEWSLETTER
for
June 15, 2017

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Never Forget September 11, 2001
and
Always Remember May 2, 2011

1. BOOMERS EXPECT TO RELY HEAVILY ON SOCIAL SECURITY IN RETIREMENT: *Planadvisor* says that thirty-eight percent of middle-income Baby Boomers—those with a household income between \$30,000 and \$100,000 and less than \$1 million in investable assets—expect Social Security will be their primary source

of income in retirement, up from 30% before the financial crisis of 2008. In lockstep with this, 43% of middle-income Boomers planned on primarily relying on personal savings in retirement, prior to the recession. A scant 2% of middle-income Boomers think the economy has fully recovered, and 65% say they have not felt any personal benefit from a bounce-back. Of this group, 52% say their savings are lower than they were before the recession, and 40% say they are not earning as much. Sixty-eight percent are worried they will be hit with yet another financial crisis in their lifetime. Prior to the financial crisis, 45% expected to retire debt-free, and today, that is only 34%. Previously, 23% expected they would be able to leave an inheritance to their heirs, but today, that is only 16%. Nonetheless, 92% of Boomers still plan to retire. However, 48% plan to work either full-time or part-time in retirement—up from 35% before the crisis. Perhaps one of the reasons their savings are lower is that the recession has prompted 74% of Boomers to change their investment choices, with 28% moving into conservative funds. These Boomers' dismal outlook is grounded in fact. Between 2007 and 2010, the inflation-adjusted median household income in the U.S. fell nearly 7%—and more strikingly, the median net worth of middle-income households fell 39% and homeowners lost an average of 55% of the value of their home. Social Security was designed to be a safety net, not a primary replacement for savings or income. Those who are in or near retirement should consider the various ways they can create future income to help achieve a secure retirement. There are products readily available in the marketplace that can help. The Internet-based

survey was conducted among 1,000 middle-income Boomers between the ages of 52 and 70. The full report can be downloaded [here](#).

2. IRS Offers Tips for Disaster Preparedness: The IRS wants to remind taxpayers to prepare for hurricanes and other natural disasters now. By taking a few steps before disaster strikes, taxpayers can reduce their stress when it comes time to file claims or rebuild after the catastrophic event.

Here are some things to consider:

- **Update Emergency Plans** -- Because a disaster can strike any time, be sure to review emergency plans annually. Personal and business situations change over time, as do preparedness needs. Make plans ahead of time and be sure to practice them.
- **Create Electronic Copies of Documents** -- Taxpayers should keep a duplicate set of key documents. Keep documents including bank statements, tax returns and insurance policies in a safe place. Doing so is easier now that many financial institutions provide statements and documents electronically, available on the Internet. Even if original documents are available only on paper, scan them into an electronic format and store them on DVD, CD or cloud storage.
- **Document Valuables** – It is a good idea to photograph or videotape the contents of any home, especially items of higher

value. Documenting these items ahead of time will make it easier to claim insurance and tax benefits after a disaster strikes. The IRS has a disaster loss workbook, [Publication 584](#), which can help taxpayers compile a room-by-room list of belongings. Photographs can help prove the fair market value of items for insurance and casualty loss claims.

- **IRS Ready to Help** -- In the case of a federally declared disaster, impacted taxpayers can call 866.562.5227 to speak with an IRS specialist trained to handle disaster-related issues. Taxpayers can request copies of previously filed tax returns and attachments, including Forms W-2, by filing [Form 4506](#), *Request for Copy of Tax Return*. Alternatively, order transcripts showing most line items through the Get Transcript link on IRS.gov, by calling 800.908.9946 or by using [Form 4506T-EZ](#), *Short Form Request for Individual Tax Return Transcript* or [Form 4506-T](#), *Request for Transcript of Tax Return*.

3. EMPLOYER-BASED RETIREMENT SYSTEM IS NOT WORKING WELL FOR MIDDLE INCOME AMERICANS: The employer-based retirement system is not working well for middle income Americans, according to www.employeebenefitadviser.com. Forty-two percent of Americans have less than \$10,000 in total savings and 83% of Americans do not have a retirement plan. Sixty percent of middle income American families are not saving for retirement because they do not have a plan offered through their employer. The key to

retirement savings is to have a meaningful way to save for retirement, as those with a 401(k) offered by an employer are 15 times more likely to save. At companies with fewer than 50 workers, not even half of the employees have access to a 401(k) or pension. At companies with 500 workers or more, 90% of employees have access to a retirement plan. While it particularly affects small businesses, it also has an impact on those at larger companies, especially in the service industry, which does not want to deal with it and has high turnover.

4. THE LAW SCHOOLS WHERE THE MOST GRADUATES GOT GOVERNMENT AND PUBLIC INTEREST JOBS IN 2016: Let us face it, tens of thousands of students enroll in law school every year, each with a dream in their hearts of saving the world, according to www.abovethelaw.com. Maybe they want to seek out justice for children, animals or the environment. Maybe they want to serve their communities and make them safer for the public at large. Maybe they want to advocate for those who have been unfairly discriminated against, be it in their housing choices or on the job. Whatever their public-interest cause may be, while many law students say they want to save the world, only a select few are willing to accept the sometimes lower salaries that go hand-in-hand with their altruistic career goals. For the true believers, some law schools are better than others when it comes to getting their graduates a leg up on the competition for one of these coveted jobs. Law.com produced several helpful charts based on law school employment data for the class of 2016. Take a look at one of the more interesting charts for all of the

do-gooders in this world, the law schools that sent the highest percentage of their most recent graduating class into government and public interest work. Here are the top 10 law schools on the list:

- CUNY Law: 45.19 percent
- Florida State Law: 34.92 percent
- UMass Dartmouth Law: 32.08 percent
- Northern Illinois Law: 30.68 percent
- UC Irvine Law: 29.66 percent
- Widener Commonwealth Law: 28.30 percent
- Washburn Law: 28.00 percent
- UC Davis Law: 27.54 percent
- Denver Law: 26.59 percent
- Kansas Law: 25.69 percent

5. OLD-SCHOOL FLORIDA SHERIFF HAS NEW MEANING FOR

THE WORD SCUMBAG: Sheriff Mike Chitwood is no stranger to law enforcement. And with nearly 30 years of experience, it is no wonder he still maintains some “old-school” ways. Since becoming Sheriff of Volusia County, Chitwood has been making headlines left and right. Listen to the linked video, and you may understand why: <http://www.leoaffairs.com>

6. REPORT ON THE ECONOMIC WELL-BEING OF US

HOUSEHOLDS IN 2016: In order to monitor the economic status of American consumers, the Federal Reserve Board conducted the

fourth annual Survey of Household Economics and Decisionmaking in October 2016. This survey provides insights into the well-being of U.S. Households and Consumers, and provides information on how individuals and their families are faring in the economy. Topics covered in the survey include individuals' overall financial well-being; employment experiences; income and savings behaviors; economic preparedness; access to banking and credit; housing and living arrangement decisions; education and human capital; student loans; and retirement planning; found at www.federalreserve.gov. Previous surveys have informed the Federal Reserve and other government agencies about consumer financial behavior and opinions. More than 6,600 respondents completed the survey. Key findings from the survey across these areas of individuals' financial lives include:

- Overall Financial Well-Being
 - Overall, the modest improvements in financial well-being that were observed in recent years continued into 2016. However, those with more education appear to have driven most of the observed gains in well-being relative to the previous year
- Employment, Multiple Jobs, and Informal Work
 - Employment conditions, including work scheduling and employee benefits, vary across the workforce. In addition to earnings from formal jobs, a sizeable minority of adults earn money through other informal activities.
- Income and Savings

- Income volatility remains a concern for individuals, especially those with less education and among racial and ethnic minorities
- Economic Preparedness and Emergency Savings
 - Compared to previous years, fewer adults are ill-prepared for a modest financial disruption, although substantial shares of adults are struggling with their regular expenses or would struggle to cope with an unexpected hardship.
- Banking and Credit
 - Most Americans are confident in their ability to obtain credit. Slightly over half of adults with a credit card report that they do not currently have a balance on their cards
- Housing and Living Arrangements
 - Challenges exist for some renters, including the threat of eviction and difficulties working with their landlord
- Higher Education
 - Individuals from lower socioeconomic backgrounds are less likely to attend college and, if they do, are more likely to attend for-profit institutions. Non-completers and attendees of for-profit institutions are less likely to feel that their education was worth the financial cost.
- Education Debt and Student Loans
 - Debt for higher education is prevalent, as over half of adults under age 30 who attended college took on at least some debt while pursuing their education. The likelihood of falling behind on student loan payments varies

depending on the type of institution attended and the level of education completed.

- Retirement
 - A continued challenge that was also seen in earlier years is that many individuals report having no retirement savings, and—among those who are saving—over half lack comfort in their ability to manage their retirement investments.

7. NEW OFFICE ADDRESS: Please note that Cypen & Cypen has a new office address: Cypen & Cypen, 975 Arthur Godfrey Road, Suite 500, Miami Beach, Florida 33140. All other contact information remains the same.

8. CRAZY STATE LAWS: *Good Housekeeping* reminds us that there are crazy laws in every state. In the State of Minnesota, dirty tires are banned. Driving through Minnesota soon? Make sure to get your car washed prior, as dirty tires are considered a public nuisance.

9. ZEN PROVEN TEACHINGS TO LIVE BY: Do not walk behind me, for I may not lead. Do not walk ahead of me, for I may not follow. Do not walk beside me either. Just pretty much leave me the hell alone.

10. PONDERISMS: I used to eat a lot of natural foods until I learned that most people die of natural causes.

11. OLD CEMETERIES & EPITAPHS: A truly happy person is one who can enjoy the scenery on a detour and one who can enjoy browsing old cemeteries. For example, in Silver City, Nevada, a cemetery reads: here lays The Kid, we planted him raw. He was quick on the trigger, but slow on the draw.

12. TODAY IN HISTORY: On this day in 2015 real estate mogul Donald Trump launched his campaign for U.S. President.

13. KEEP THOSE CARDS AND LETTERS COMING: Several readers regularly supply us with suggestions or tips for newsletter items. Please feel free to send us or point us to matters you think would be of interest to our readers. Subject to editorial discretion, we may print them. Rest assured that we will not publish any names as referring sources.

14. PLEASE SHARE OUR NEWSLETTER: Our newsletter readership is not limited to the number of people who choose to enter a free subscription. Many pension board administrators provide hard copies in their meeting agenda. Other administrators forward the newsletter electronically to trustees. In any event, please tell those you feel may be interested that they can subscribe to their own free copy of the newsletter at <http://www.cypen.com/subscribe.htm>.

15. REMEMBER, YOU CAN NEVER OUTLIVE YOUR DEFINED

RETIREMENT BENEFIT.